

# **GEORGE BROWN COLLEGE REPORT TO THE MINISTER 1989**

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## INTRODUCTION

George Brown College has much to boast about in 1989. The last 12 months have seen the College take significant strides in a number of areas including new program and course development, community partnerships, services to seniors and Toronto's multicultural community, and employment equity.

It would be easy to fill an annual report with all this good news – and it would make very pleasant reading – but it would also be irresponsible. There is currently a more pressing need to discuss the College's problems and some solutions to them.

George Brown's Board of Governors approved a new mission statement this year. The College "is to be a student-oriented, multicultural, highly diversified, innovative centre of learning in central Metropolitan Toronto, providing high quality education, training, research, development, and social services with integrity, professionalism and a sense of caring". This statement clearly implies a responsibility and commitment to our community that, in practical terms, results in the College offering the public a wide variety of programs, courses and services.

This range of activities is now in jeopardy. George Brown is facing years of declining full-time enrolment that could severely constrict the College's finances and affect its ability to function in the coming years. While there may be little that can be done to slow this decline – which includes a large demographic component – George Brown needs additional support if it is to successfully adapt to its changed environment in the 1990s.

With adequate support, George Brown will continue in its role as a leader in education and training. It will continue to explore new ways to serve its community. It will continue to provide highly qualified graduates for the businesses, institutions and industries of Ontario.

*Andrew Faas,  
Chairperson,  
Board of Governors*

*Douglas Light,  
President*



## EXECUTIVE SUMMARY

- George Brown College is facing declining post-secondary enrolment that threatens to destabilize the institution and reduce service to its community below current and appropriate levels.
- George Brown is facing a uniquely harsh financial situation because of its historically heavy involvement in adult retraining in Toronto. The post-secondary enrolment decline comes on the heels of a more than 40 per cent reduction in direct training funding at the College from the federal government.
- The College, along with other Metro colleges, is facing some particular recruiting restraints in addition to the province-wide demographic decline in the overall number of college-age people. These include: a vigorous local economy that lures people directly into the labour force from school; high living and housing costs that prevent people from moving from outside Metro to come to George Brown; and a highly competitive local market for post-secondary education in which the perception of some groups towards colleges puts them at a disadvantage.
- Efforts by College staff to diversify enrolment and minimize the impact of federal government funding changes are unlikely to greatly increase George Brown's stability in the face of the projected decline in post-secondary population.
- A financially weakened George Brown will be forced to reduce programming and services to its community and will make a diminished contribution to the health of several key sectors of Ontario's economy including health services and nursing, hospitality, and the manufacturing and construction industries.
- Additional support from the Ministry of Colleges and Universities is needed now if George Brown College is to fulfill its promise of leadership in education and training. This support includes a revised funding mechanism, additional capital grants, program protection, and updated program funding weights.



## SUCCESSFUL ADAPTATION

Since it was founded more than 20 years ago, George Brown College has successfully adapted to the rapidly changing political, demographic and economic environment in Toronto. In the last ten years in particular, it has emerged as one of the most flexible and innovative colleges in Ontario.

The College was formed in 1967 from two vocational training institutions, giving it a solid foundation of adult retraining and apprenticeship programs. In fact, George Brown has been more heavily involved in federally sponsored retraining than any other Ontario college.

It also has been the provincial leader in in-college apprentice training. In 1988/89, the College was responsible for more than 23 per cent of all apprentice training in Ontario, with students coming to the College from more than 600 communities.<sup>1</sup>

The preponderance of trades training and adult retraining in the College's program mix of the 1970s, however, had its drawbacks. Unlike some Metro Toronto area colleges, George Brown did not offer a wide variety of post-secondary programs. This full-time diploma program deficit left the college financially vulnerable to shifts in federal training purchases.

The late 1970s and 1980s saw a concerted and successful effort by George Brown staff to develop new post-secondary programs. For the first five years of this decade, George Brown led the college system with enrolment growth of more than 66 per cent – from 3,800 students in the fall of 1980 to 6,301 in 1985. Post-secondary enrolment at George Brown reached an all-time high of 6,329 in the fall of 1986 – 6.5 per cent of the provincial total.

## RESPONSE TO FUNDING CHANGES

The crucial role that post-secondary diploma program enrolment plays in the stability of the College became apparent in the mid-1980s with the introduction of new federal government policies – including the Canadian Jobs Strategy – that altered the basis of training funding.

These new policies caused a decline in federally sponsored activity at George Brown for two main reasons: They planned funding and activity levels for particular regions on a more restrictive geographical basis – denying George Brown its traditional role as a centralized provider of adult retraining in the Metro area. They also ended a long-standing preference for college-based training and allowed a wide range of institutions and companies to vie for training funds – in effect shifting a large proportion of training funds from educational institutions to the private sector. The extent of this shift can be seen in the levels of federal spending on indirect funding for training, which grew from nothing in 1985/86 to more than 27 per cent of the available training funds in 1988/89.<sup>2</sup>

These policies reduced directly funded, federally sponsored retraining at the College by 43 per cent from 1986/87 to 1989/90, and cut College revenue by \$6 million or about six per cent of the current operating budget.

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1. Registrar, Apprenticeship Training Branch,  
Ontario Ministry of Skills Development, September, 1989.

2. *With the Future in Mind: An Environmental Scan, Vision 2000*,  
Ontario Council of Regents, March, 1989

In addition, unrelated proposed federal policy changes currently threaten the size and scope of the apprenticeship system in Ontario. Apprenticeship is expected to earn George Brown revenue of \$9.3 million this year – the highest single source of revenue after the provincial operating grant.

George Brown has responded quickly to these federal government initiatives with appropriate measures to reduce their impact on the college as a whole and promote enrolment in other types of programs.

In 1985, the College began an intensive effort to take full advantage of the new federal funding regulations by developing co-operative education programs with community, immigrant and women's groups. In the current year, George Brown is offering 38 partnership programs funded under the Canadian Jobs Strategy and earning revenue of more than \$400,000.

The success and importance of the College's community outreach efforts – which have drawn praise from the Association of Canadian Community Colleges – were recognized in 1988 with the formation of the Access and Program Development Division. As its name implies, this division is responsible for programs that promote access to college for all members of George Brown's community – new or returning adult learners, the illiterate, new Canadians, women, and people with disabilities.

George Brown has also committed resources to develop continuing education courses and programs. Annual enrolment in these programs has increased from 35,000 in 1982/83 to more than 54,000 in 1989/90.

The proposed changes in apprenticeship funding by the Government of Canada in 1988 have also been met with immediate action. George Brown's Board of Governors launched an effective information and lobbying campaign aimed at education, labour and government officials nation-wide. While the campaign may have played a role in delaying policy implementation by the federal government, there is no indication to date that the federal government is planning to alter its course of action. If the federal government pursues its current policy, and Ontario cannot provide substitute funds, the province stands to lose a badly needed source of skilled labour in a number of fields, and George Brown will see its annual revenue diminish.

## A DELICATE FINANCIAL POSITION

The decline in federal government direct funding for retraining programs, coupled with a small decline in post-secondary enrolment in the past two years, has forced George Brown into the most delicate financial position in its history. The College is facing several new constraints and has had few options:

- The small amount of downtown real estate the College owns is valuable, but already fully developed for College purposes. A study is currently being conducted into the best use of College land.
- Its reserve fund now stands at less than \$3.5 million – a bare minimum of less than four per cent to cover an operating budget of almost \$100 million. An additional \$1.5 to \$4.5 million is needed to create an adequate reserve fund.
- New costs imposed on colleges by both federal and provincial governments in their 1989 budgets have forced the College's Board of Governors to meet an anticipated deficit for 1989/90 with reserve funds.

- Anticipated settlement of 1989 collective agreements with both faculty and support staff unions is expected to result in wage increases that far exceed the four per cent increase in the provincial operating grant for the current year. Even current offers by the Council of Regents exceed 11 per cent for the next two contract years.

- Anticipated arbitration decisions could increase faculty wage costs even further. In particular, the Group 1, Group 2 decision could have a severe impact at George Brown because of the composition of George Brown's faculty. According to the latest analysis, the proportion of Group 2 teachers at George Brown is almost 75 per cent more than the provincial average of 20 per cent. Group 2 teachers at the College account for about 15 per cent of the provincial total.

The current financial crisis has resulted in a number of severe cost-cutting measures at George Brown in 1989, including:

- reduction of total staff by attrition;
- elimination of capital spending from the College's operating budget;
- voluntary staff reductions by means of an early retirement bonus program;
- limiting student enrolment in "high-cost" programs, such as nursing, where revenues do not meet the costs incurred by the college;
- another series of financial austerity measures including limited budgets for libraries and audio-visual services, student access to computers, and staff professional development.

According to a 1988 study of staffing levels at four Ontario colleges of applied arts and technology of roughly equal size, George Brown was found to have the lowest level of staff in administrative and support staff categories. Further reductions in staffing are likely to involve selective lay-offs and elimination or reduction of services or academic program areas.<sup>3</sup>

## UNIQUE LIMITS TO ENROLMENT

At first glance, George Brown College enjoys advantages that are not available to other colleges of applied arts and technology in Ontario. It is located at the centre of the most heavily populated urban area in the province -- an area with a large share of Ontario's population as well as business and industrial communities.

For many years, Toronto proved to be an ideal environment for a college. From strong roots in vocational and trades training, George Brown has grown and diversified to meet the needs of the city. This has been particularly true in the development of new full-time programs for post-secondary students.

In 1989, the College offers more than 180 full-time programs in applied arts, business, community services, fashion, graphic arts, health sciences, hospitality and technology. It has almost 9,000 full-time students, more than 54,000 continuing education students, and a full-time staff of more than 1,300 located at four campuses in downtown Toronto.

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3. Unpublished study by Dean Robert Struthers, George Brown College, 1988.

It has become clear, however, that the environment in Toronto that allowed George Brown College to flourish and, for several years, lead the college system in post-secondary growth is changing. Several demographic, financial and economic factors have merged to create an environment that is not conducive to the long-term stability of the College.

The continuing economic boom in the city and surrounding area is creating job opportunities at an unprecedented rate, resulting in historically low rates of unemployment – for an extended period the lowest rate in Canada. The great demand for staff by Toronto employers – who offer increasingly high salaries – significantly limits the College's recruitment of students from both in and immediately outside of its catchment area.

Many potential students are being drawn into the workforce by the availability of work and attractive starting salaries immediately after secondary school. Working young adults, who were the largest group of new George Brown students in 1988, are staying in the workforce to take advantage of increased job mobility and wage levels. The demand for staff has also created a high level of attrition in the second and third year of some programs as students are lured into full-time work.

The intensity of Toronto's local economy has also created the highest rate of inflation in Canada. A dramatic rise in the cost of living – particularly housing – makes Toronto a prohibitive location for college for an increasingly large number of potential students who live outside the Metro Toronto area.

The vacancy rate for rental apartments (in buildings with six or more units) in the Toronto area has been less than 0.2 per cent since 1986 and has not been above one per cent since the fall of 1983. The vacancy rate for apartments in buildings built before 1976 and subject to rent control legislation has been even lower than the average.

The scarcity of affordable housing in Toronto adversely affects the College's efforts to recruit students living outside the Metro area. The number of students who move to Toronto to attend George Brown, which currently accounts for 25 per cent of all new post-secondary students, is expected to fall as they, or their parents, balk at the cost and difficulties involved.

There are no easy answers to the student housing crisis. The cost of providing adequate student bursaries or loans to cover the cost of Toronto rents is prohibitive. Even with existing Ministry incentives, the price of land in downtown Toronto makes building residences a financial impossibility.

Another unique characteristic of Toronto that adversely affects George Brown's ability to maintain its enrolment at current levels is the high proportion of potential students in its catchment area – the City of Toronto proper – who prefer to go directly into the workforce, or to university rather than college. A 1988 study of Metro secondary school students found that 40 per cent said university was "very appealing" while 37 per cent said that college was only "somewhat appealing". The study concludes that the perceived appeal of a form of education is directly related to enrolment.<sup>5</sup>

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5. *Metro Colleges Image and Appeal*,  
Burwell Hay/ Continental Golin/ Harris Communications, 1989

Already George Brown attracts the smallest percentage of secondary students directly out of school – 19 per cent – of any college in Ontario. The even lower percentage of post-secondary students who choose to come to George Brown from its own catchment area – 12 per cent – may decline further. Unlike many smaller communities, people in Toronto are in a position to choose from many post-secondary institutions – both public and private.<sup>6</sup>

This trend towards a shrinking group of potential college students in Metro Toronto is exacerbated by the declining number of people in their teens and early twenties in Ontario. This demographic trend is expected to continue for another decade or so, until the echo of the baby boom generation comes through Ontario's school systems in the late 1990s and early 21st century.

The most rapidly declining age groups in Metro Toronto (between 1981 and 1986) are in the 0 to 14 year range (-6.4 per cent) and in the 15 to 24 year range (-6.6 per cent), while there will be a province-wide decline in the 15- to 17-year-old group until 1995. The vast majority of current new George Brown post-secondary students are firmly planted in the declining age group – ranging in age between 19 and 24 years old, with an average of 22.6 years.<sup>7</sup>

These four factors – a booming local economy, expensive housing and other living costs, a university-oriented population, and declining numbers of young people – point to a continued decline in the traditional full-time student population at George Brown over the next decade.

## INITIATIVES TO DIVERSIFY ENROLMENT

That decline, however, will be mitigated to a degree by College initiatives intended to diversify the College's student base. These include:

- extensive development of continuing education activity, including increasing the number of diploma and certificate programs being offered on a part-time basis and offering daytime continuing education courses for seniors and others;
- expansion of George Brown's English as a Second Language program and upgrading programs for adults;
- development of co-operative education projects with community-based groups and organizations, particularly a number of ethnic groups in Toronto;
- expansion of linkages with school boards and university level institutions;
- more aggressive pursuit of international education ventures.

While these initiatives improve college service to George Brown's community, and they all have the potential for future growth, it is unlikely that they, on their own, will solve the College's financial dilemma or bring greatly increased stability to George Brown in the coming decade.

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6. Fall 1987 Market Share Analysis, Ministry of Colleges and Universities

7. *A Social Report for Metro*, Social Planning Council of Metro Toronto, 1988

## A DE-STABILIZED GEORGE BROWN WILL HURT TORONTO AND ONTARIO

The projected decline in post-secondary student enrolment will, unless there are significant changes in the external or internal environment, adversely affect George Brown's ability to offer appropriate levels of service to its community. That community is a large proportion of Ontario's population and a driving element in its economic engine. The greater Toronto area accounts for 36 per cent of the province's population, and is home to one in seven members of Canada's labour force. One out of every five new jobs in Canada is created in the Toronto area.

As funding falls with enrolment, George Brown will be forced to reduce its staff complement and cut spending on new teaching equipment and renovation of facilities. This financial erosion could also result in fewer new programs and a narrower range of programs in general.

This erosion, which is already being experienced, will be more severe at George Brown than at other colleges because it coincides with the shift of federal government training funds out of educational institutions and into the private sector. As previously stated, the drastic decline in these programs after the introduction of the Canadian Jobs Strategy in 1986 has left the College with very little flexibility in handling new financial restraint.

George Brown currently plays a major role in supplying trained personnel to several key sectors of the Toronto and Ontario economies. This is particularly true in several health science fields, hospitality, manufacturing and construction fields. The effect of reduced programming and service by George Brown in these sectors could be pronounced. The resulting reduced flow of graduates to high demand fields such as nursing and engineering technology could act as a damper on economic growth and productivity on a much larger scale.

Beyond the substantial economic effects, a financially weakened George Brown College could reduce socio-economic opportunities and mobility in Toronto for hundreds of people from traditionally low income groups or for new immigrants to Canada. Fewer programs and a smaller student enrolment could deprive many people of the opportunities currently available in post-secondary education. That education is a crucial step that leads to higher social status as well as more secure and better-paying employment.

## A UNIQUE METRO TORONTO SITUATION

George Brown College is not alone in facing difficult times. All Metro Toronto colleges are experiencing similar circumstances to some extent. Like George Brown, all Metro colleges are relying more heavily than ever before on enrolment-based grants from the provincial government.

The consequences of maintaining the existing structure of funding for Metro colleges can be predicted with a fair degree of accuracy. The erosion of funding will, over time, cause all Metro colleges to shrink in terms of staff size and student population. Their ability to recover to previous levels of activity will be impaired as programs are cancelled and students are trained on increasingly antiquated equipment. Without adequate funding, the development of new programs will be limited. Budget cuts will also reduce service levels for students and curtail acquisition of new learning resources.

According to a recent study commissioned by Metro colleges, the reputation of colleges, as opposed to universities, among potential students in secondary schools is currently fragile. Any reduction in the quality of education, breadth of programming, and services that colleges offer the public could cause long-term damage to that reputation.<sup>8</sup>

Reputation is a key ingredient in any formula for future growth and success of college education in Ontario. George Brown is located at the centre of the most competitive educational market in Canada. People seeking post-secondary education in Metro Toronto have two universities, a polytechnic, four colleges of applied arts and technology, and dozens of specialized private colleges and schools from which to choose.

But Metro colleges have more than reputation on the line. At stake are the tens of millions of dollars that the citizens of Ontario have invested in Metro colleges over the years. That investment in the province's educational infrastructure has already earned a significant return in the increased skill level of thousands of people and their ability to make a larger contribution to our collective well-being. If it is well managed, that investment will continue to pay dividends for decades to come.

## ADDITIONAL SUPPORT IS NEEDED

George Brown College needs additional support from the Ministry of Colleges and Universities now if it is to emerge functionally intact from this period of declining enrolment and financial constraint. Without additional support, George Brown will not have the means to realize its potential as a key element in the continuing prosperity of our province.

The required support comes in a variety of forms:

**An improving funding mechanism:** The Ministry's funding mechanism is a tool to be used for the equitable division of available funds to 23 colleges across the province. While the formula used to assign funds has served both the colleges and the provincial government well in the past, it may require modification to meet the challenges of the last years of this century. The funding mechanism is the foundation of George Brown's financial well-being for the coming years: The College's stability relies on the responsiveness of this tool. In the past, the special circumstances of a group of colleges were recognized and met with geographic allowances. It may now be appropriate to use this model to deal with the unique circumstances of Metro colleges.

**Updated program weighting:** Like many other colleges, George Brown is being forced by financial restraint to judge programs for enrolment increases or decreases on the basis of their cost, rather than the demand for graduates or their value to society as a whole. This is because funding weights for some programs that involve a large proportion of laboratory or supervised training do not adequately cover the College's costs. Revised program weighting would eliminate such financial considerations and return program decisions to a more appropriate basis.

**Special capital grants:** George Brown's long-term success rests on its ability to educate students in the techniques and methods currently being used in the fields they are preparing to enter. The increasingly rapid rate of computerization and technological change has made a significant proportion of the College's teaching equipment and facilities outdated.

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8. *Metro Colleges Image and Appeal*, Burwell Hay/ Continental Golin/ Harris Communications, 1989

George Brown, on its own, does not have the capital required to replace obsolete teaching equipment: It is unlikely that the College will be able to spend any of its operating budget on capital purchases: While George Brown staff have used their close links with industry to obtain impressive donations of equipment, it is clear that additional capital support from the Ministry is needed. A more comprehensive approach to teaching equipment replacement is clearly needed if George Brown, and other colleges, are to fulfill their implicit promise to students of appropriate training for the world of work.

**Program protection:** The Ministry of Colleges and Universities has invested millions of dollars over the years to develop areas of program specialization in colleges. At George Brown, for instance, Ministry support has been an essential element in the creation of a world-class School of Hospitality. The value of the Ministry's investment at any college is eroded when nearby colleges start to compete with similar programs. This is a particular problem in Metro Toronto where proximity and efficient public transportation pit several colleges against each other for the same group of potential students. While this competition has its healthy side, it also forces colleges to spend more effort and money in marketing, and can reduce enrolment and stability of programs at all colleges. A policy that limits direct program competition within particular regions of Ontario would protect the Ministry's investment at all colleges, as well as the viability of colleges, and yet provide adequate levels of service to the public.

**Special operating grants:** George Brown College faces additional annual expenses of between \$1 million and \$2 million as a result of the Group 1, Group 2 arbitration decision. Additional Ministry funds are needed to cover this new expense to prevent undesirable cost-cutting in the College's operations.



## ADAPTING TO A CHANGING ENVIRONMENT

Over the years, George Brown has proved again and again that it is flexible and willing to adapt to a changing environment. It has adapted successfully for 20 years and made a significant and positive impact on the social and economic life of Ontario.

It now faces a convergence of factors that may seriously reduce its ability to offer appropriate educational services to its community in the future.

The creativity and resourcefulness of College staff have always been key elements in George Brown's success in its first two decades, and these qualities will continue to play a vital role. But they alone are not enough to meet the challenges of the coming years.

George Brown College needs additional support from its major partner – the Ministry of Colleges and Universities. Support that will allow it to make a successful adaptation to the world of the 1990s and continue to fulfill its promise to the people of Toronto and Ontario.



George Brown  
The City College

